

tors and bring to a head the real evils of the economic situation.

The first shock was felt in Australia, whose people had been congratulating themselves upon their rapidly accumulating wealth and their swelling bank credits, based in reality upon inflated valuations of real estate and of agricultural products. The shock was soon communicated to the United States and its reverberations affected the stock markets of Berlin and Vienna, checked the efforts of Austria-Hungary to establish the gold standard, and drove Austrian securities homeward from Germany as the result of the scramble for ready cash in the Berlin market. Italy was affected by the prevailing distrust, and the evils generated by corruption among her bankers and public men were intensified by the return of Italian securities and the steady outflow of gold and even of subsidiary silver coins under the pressure of a depreciated paper currency. The *Credit Mobilier Italian*, with a capital of 75,000,000 liras (\$14,500,000), was forced to suspend by the difficulty of calling up advances, with deposits of 50,425,000 liras and advances of 89,109,000 liras.<sup>1</sup> France saw her importations shrink from 4,767,867,000 francs (\$920,000,000) in 1891 to 3,936,720,000 francs (\$760,000,000) in 1893. Even Turkey suffered from the fall in the prices of the products of agriculture, which constitute the larger part of her exportations. Opium within the space of a few years fell twenty-four per cent., wool fifteen percent., and raisins eight per cent.<sup>2</sup>

The crisis in the United States attracted the most attention, because of the magnitude of their commercial interests and of the investments of foreign capital in their railways, breweries, cattle ranges and public securities. Foreign investments in the United States would have required large payments to Europe prior to 1893 if American enterprises had not proved up to that time so attractive that the interest upon them was constantly reinvested. The result, according to the acute observation of M. Arthur Raffalovich, was

<sup>1</sup> *Revue des Banques*, Jan., 1894, XIII, 15.

<sup>2</sup> *Revue des Banques*, Aug., 1894, XIII, 166.